

AMLAK INTERNATIONAL FINANCE COMPANY
(FORMERLY AMLAK INTERNATIONAL FOR REAL ESTATE FINANCE COMPANY)
(A SAUDI JOINT STOCK COMPANY)
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED
30 SEPTEMBER 2023
TOGETHER WITH THE
INDEPENDENT AUDITOR'S REVIEW REPORT



Report on review of condensed interim consolidated financial statements

To the shareholders of Amlak International Finance Company (formerly Amlak International for Real Estate Finance Company) (A Saudi Joint Stock Company)

Introduction

We have reviewed the accompanying condensed interim consolidated statement of financial position of Amlak International Finance Company (formerly Amlak International for Real Estate Finance Company) (the "Company") and its subsidiary (collectively referred to as the "Group") as at 30 September 2023 and the related condensed interim consolidated statements of profit or loss and comprehensive income for the three-month and nine-month periods then ended, and the related condensed interim statements of changes in equity and cash flows for the nine-month period then ended and other explanatory notes (the "condensed interim consolidated financial statements").

The Board of Directors is responsible for the preparation and presentation of these condensed interim consolidated financial statements in accordance with International Accounting Standard 34 - "Interim Financial Reporting" (IAS 34), as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed interim consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", as endorsed in the Kingdom of Saudi Arabia. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, as endorsed in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34, as endorsed in the Kingdom of Saudi Arabia.

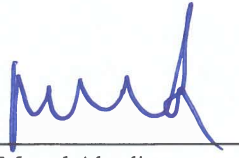
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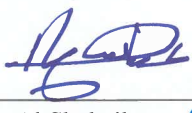
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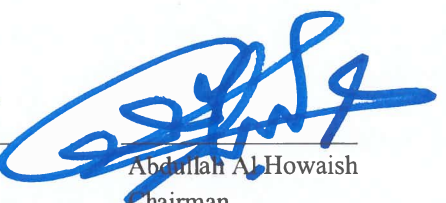


AMLAK INTERNATIONAL FINANCE COMPANY
(FORMERLY AMLAK INTERNATIONAL FOR REAL ESTATE FINANCE COMPANY)
(A SAUDI JOINT STOCK COMPANY)
CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(UNAUDITED)
AS AT 30 SEPTEMBER 2023
(SAR '000)

| | | 30 September 2023 | 31 December 2022 |
|--|--------------|----------------------|---------------------|
| | <u>Notes</u> | <u>(Unaudited)</u> | <u>(Audited)</u> |
| <u>ASSETS</u> | | | |
| Cash and cash equivalents | 5 | 35,791 | 38,226 |
| Investments | | 893 | 998 |
| Positive fair value of derivatives | 10 | 21,537 | 20,515 |
| Murabaha receivables, net | 6 | 1,351,358 | 480,193 |
| Ijara receivables, net | 7 | 2,018,257 | 2,713,499 |
| Ijara Mawsofa Fi Athemmah receivables, net | 8 | 95,553 | 89,558 |
| Prepayments and other assets | | 59,420 | 102,727 |
| Property, equipment and right of use assets, net | | 43,706 | 41,422 |
| Total assets | | 3,626,515 | 3,487,138 |
| <u>LIABILITIES AND EQUITY</u> | | | |
| Accounts payable and other accruals | 9 | 65,287 | 99,857 |
| Negative fair value of derivatives | 10 | - | 1,483 |
| Zakat and income tax payable | 11 | 10,977 | 19,599 |
| Borrowings | 12 | 2,203,280 | 1,759,216 |
| SAMA deposit, net | | 141,977 | 355,863 |
| Employees' end of service benefits | | 17,050 | 16,122 |
| Total liabilities | | 2,438,571 | 2,252,140 |
| <u>EQUITY</u> | | | |
| Share capital | 13 | 906,000 | 906,000 |
| Statutory reserve | | 98,753 | 98,753 |
| Cash flow hedge reserve | | 21,537 | 19,032 |
| Retained earnings | | 161,654 | 211,213 |
| Total equity | | 1,187,944 | 1,234,998 |
| Total liabilities and equity | | 3,626,515 | 3,487,138 |


 Murad Alsadiq
 Chief Finance Officer


 Adnan Al Shubaily
 Chief Executive Officer

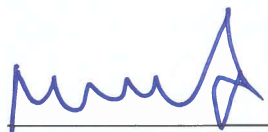

 Abdullah AlHawaish
 Chairman



The attached notes 1 to 23 form part of these condensed interim consolidated financial statements.

AMLAK INTERNATIONAL FINANCE COMPANY
(FORMERLY AMLAK INTERNATIONAL FOR REAL ESTATE FINANCE COMPANY)
(A SAUDI JOINT STOCK COMPANY)
CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS
(UNAUDITED)
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2023
(SAR '000)

| | | For the three-month period ended 30 September | | For the nine-month period ended 30 September | |
|--|--------------|---|---------------|--|----------------|
| | <i>Notes</i> | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| INCOME | | | | | |
| Income from Murabaha contracts | | 29,454 | 5,551 | 63,817 | 14,674 |
| Income from Ijara contracts | | 42,165 | 57,618 | 139,596 | 175,319 |
| Income from Ijara Mawsofa Fi Athemmah contracts | | 2,304 | 1,924 | 6,660 | 5,815 |
| (Loss)/gain on sale of portfolio and revaluation of servicing rights asset | | (482) | 11,891 | (1,530) | 8,562 |
| Fees and commission income | | 2,880 | 5,245 | 9,529 | 15,079 |
| Total income from Murabaha, Ijara and Ijara Mawsofa Fi Athemmah | | 76,321 | 82,229 | 218,072 | 219,449 |
| EXPENSES | | | | | |
| Finance costs | | (37,193) | (18,395) | (93,541) | (50,372) |
| Fee expense | | (1,150) | (827) | (2,546) | (2,457) |
| Net income from Murabaha, Ijara and Ijara Mawsofa Fi Athemmah | | 37,978 | 63,007 | 121,985 | 166,620 |
| Other income | | 250 | 1,307 | 839 | 4,741 |
| | | 38,228 | 64,314 | 122,824 | 171,361 |
| OPERATING EXPENSES | | | | | |
| Depreciation | | (2,529) | (2,320) | (7,247) | (6,988) |
| General and administrative expenses | 16 | (23,816) | (21,276) | (70,436) | (66,420) |
| Selling and marketing expenses | 17 | (3,922) | (3,695) | (11,663) | (10,527) |
| (Impairment charges)/impairment allowance reversal for expected credit losses, net | | (999) | (8,444) | (5,631) | 4,144 |
| Net income for the period before zakat and income tax | | 6,962 | 28,579 | 27,847 | 91,570 |
| Zakat and income tax expense | 11 | (1,392) | (3,527) | (4,925) | (10,834) |
| Net income for the period | | 5,570 | 25,052 | 22,922 | 80,736 |
| Basic and diluted earnings per share (SAR) | 15 | <u>0.06</u> | <u>0.28</u> | <u>0.25</u> | <u>0.89</u> |



Murad Alsadiq
Chief Finance Officer



Adnan Al Shubaily
Chief Executive Officer



Abdullah Al Howaish
Chairman

The attached notes 1 to 23 form part of these condensed interim consolidated financial statements.

AMLAK INTERNATIONAL FINANCE COMPANY
(FORMERLY AMLAK INTERNATIONAL FOR REAL ESTATE FINANCE COMPANY)
(A SAUDI JOINT STOCK COMPANY)
**CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE
INCOME (UNAUDITED)**
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2023
(SAR '000)

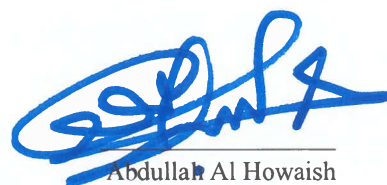
| | For the three-month period ended 30 September | | For the nine-month period ended 30 September | |
|---|---|-------------|--|-------------|
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| Net income for the period | 5,570 | 25,052 | 22,922 | 80,736 |
| Other comprehensive income | | | | |
| <i>Items that may be reclassified to statement of profit or loss in subsequent periods:</i> | | | | |
| Net movement in cash flow hedges | 124 | 5,510 | 2,505 | 23,002 |
| Total other comprehensive income | 124 | 5,510 | 2,505 | 23,002 |
| Total comprehensive income for the period | 5,694 | 30,562 | 25,427 | 103,738 |



Murad Alsadiq
Chief Finance Officer



Adnan Al Shubaily
Chief Executive Officer




Abdullah Al Howaish
Chairman





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AMLAK INTERNATIONAL FINANCE COMPANY
(FORMERLY AMLAK INTERNATIONAL FOR REAL ESTATE FINANCE COMPANY)
(A SAUDI JOINT STOCK COMPANY)
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(UNAUDITED)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023
(SAR '000)

| | <u>Share capital</u> | <u>Statutory reserve</u> | <u>Cash flow hedge reserve</u> | <u>Retained earnings</u> | <u>Total</u> |
|--|----------------------|--------------------------|--------------------------------|--------------------------|------------------|
| <u>For the period ended 30 September 2023</u> | | | | | |
| Balance at 1 January 2023 | 906,000 | 98,753 | 19,032 | 211,213 | 1,234,998 |
| Net income for the period | - | - | - | 22,922 | 22,922 |
| Other comprehensive income | - | - | 2,505 | - | 2,505 |
| Total comprehensive income | - | - | 2,505 | 22,922 | 25,427 |
| Dividends (note 14) | - | - | - | (72,481) | (72,481) |
| Balance at 30 September 2023 | 906,000 | 98,753 | 21,537 | 161,654 | 1,187,944 |
| <u>For the period ended 30 September 2022</u> | | | | | |
| Balance at 1 January 2022 | 906,000 | 89,081 | (4,253) | 200,193 | 1,191,021 |
| Net income for the period | - | - | - | 80,736 | 80,736 |
| Other comprehensive income | - | - | 23,002 | - | 23,002 |
| Total comprehensive income | - | - | 23,002 | 80,736 | 103,738 |
| Dividends (note 14) | - | - | - | (77,010) | (77,010) |
| Balance at 30 September 2022 | 906,000 | 89,081 | 18,749 | 203,919 | 1,217,749 |

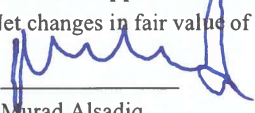

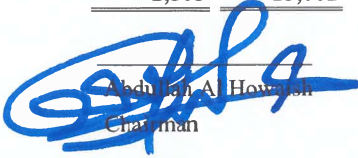

Murad Alsadiq
Chief Finance Officer


Adnan Al Shubaily
Chief Executive Officer


Abdullah Al Howaish
Chairman

The attached notes 1 to 23 form part of these condensed interim consolidated financial statements.

AMLAK INTERNATIONAL FINANCE COMPANY
(FORMERLY AMLAK INTERNATIONAL FOR REAL ESTATE FINANCE COMPANY)
(A SAUDI JOINT STOCK COMPANY)
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
(UNAUDITED)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023
(SAR '000)

| | <i>Notes</i> | For the nine-month period ended 30 September | |
|---|---|--|------------------|
| | | <u>2023</u> | <u>2022</u> |
| Cash flows from operating activities: | | | |
| Net income for the period before zakat and income tax | | 27,847 | 91,570 |
| <i>Non-cash adjustment to reconcile net income before zakat and income tax for the period to net cash (used in)/generated from operating activities</i> | | | |
| Depreciation | | 7,247 | 6,988 |
| Finance cost | | 90,797 | 48,671 |
| Employees' end of service benefits | | 1,851 | 1,998 |
| Impairment charges/(impairment allowance reversal) for ECL, net | | 5,631 | (4,144) |
| Modification gain on Murabaha and Ijara receivables, net | | - | (1,345) |
| Finance cost on SAMA deposit, net | | 2,744 | 1,701 |
| Loss on sale of property and equipment | | - | 205 |
| Loss/(gain) on sale of portfolio and revaluation of servicing rights asset | | 1,530 | (8,562) |
| Other income | | (839) | (404) |
| | | <u>136,808</u> | <u>136,678</u> |
| <i>(Increase)/decrease in operating assets</i> | | | |
| Murabaha receivables | | (917,743) | (189,222) |
| Ijara receivables | | 734,837 | 336,630 |
| Ijara Mawsofa FI Athemmah receivables | | (6,173) | (5,760) |
| Prepayments and other assets | | 43,501 | 28,097 |
| <i>Increase/(decrease) in operating liabilities</i> | | | |
| Accounts payable and other accruals | | (31,696) | 33,223 |
| | | <u>(40,466)</u> | <u>339,646</u> |
| Finance cost paid | | (83,075) | (48,103) |
| Employees' end of service benefits paid | | (923) | (521) |
| Zakat and income tax paid | 11 | (13,547) | (14,878) |
| Net cash (used in)/generated from operating activities | | <u>(138,011)</u> | <u>276,144</u> |
| Cash flows from investing activities | | | |
| Purchase of property and equipment | | (9,531) | (2,530) |
| Rental income received from property under possession | | 750 | - |
| Receipts from disposal of investment | | - | 9,480 |
| Net cash (used in)/generated from investing activities | | <u>(8,781)</u> | <u>6,950</u> |
| Cash flows from financing activities | | | |
| Repayment against borrowings | | (923,135) | (1,103,066) |
| Proceeds from borrowings | | 1,360,000 | 775,000 |
| Dividend paid | 14 | (72,481) | (77,010) |
| SAMA deposit received | | - | 264,390 |
| SAMA deposit repaid | | (216,630) | (122,674) |
| Payment of lease liabilities | | (3,397) | (3,044) |
| Net cash generated from/(used in) financing activities | | <u>144,357</u> | <u>(266,404)</u> |
| Net change in cash and cash equivalents | | <u>(2,435)</u> | <u>16,690</u> |
| Cash and cash equivalents at beginning of the period | | 38,226 | 8,818 |
| Cash and cash equivalents at end of the period | 5 | <u>35,791</u> | <u>25,508</u> |
| Non-cash supplemental information: | | | |
| Net changes in fair value of cash flow hedge | | 2,505 | 23,002 |
|  Murad Alsadiq Chief Finance Officer |  Adnan Al Shubaily Chief Executive Officer |  Abdulrahman Al-Homaidan Chairman | |

The attached notes 1 to 23 form part of these condensed interim consolidated financial statements.

AMLAK INTERNATIONAL FINANCE COMPANY
(FORMERLY AMLAK INTERNATIONAL FOR REAL ESTATE FINANCE COMPANY)
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2023
(SAR ‘000)

1. THE GROUP AND THE NATURE OF OPERATIONS

Amlak International Finance Company (formerly Amlak International for Real Estate Finance Company) (the “Company”) is a Saudi Joint Stock Company established and registered in the Kingdom of Saudi Arabia under commercial registration number 1010234356 in Riyadh dated 27/05/1428H (corresponding to 13/06/2007G) and Ministry of Commerce Resolution No. 132/S dated 25/05/1428H (corresponding to 11/06/2007G) and the Saudi Central Bank (“SAMA”) License No. 2/ PU/201312 dated 21/02/1435H (corresponding to 24/12/2013G). The Company operates through branches in Riyadh, Jeddah and Khobar. With effect from 22 December 2022, the name of the Company was changed from Amlak International for Real Estate Finance Company to Amlak International Finance Company.

As per the revised commercial registration certificate of the Company dated 17 Rajab 1444 H (corresponding to 28 Feb 2023), the objectives of the Group have been updated to provide real estate financing, SMEs financing, and personal financing as per SAMA approval dated 20 Rabea Awwal 1444H (corresponding to 16 Oct 2022).

The registered office of the Company is located at Thumamah Road, Kingdom of Saudi Arabia. A Corporate Office has been established in Jeddah by the Company in 2019. The Company has the following branches in the Kingdom of Saudi Arabia:

| <u>Branch</u> | <u>Commercial Registration Number</u> | <u>Date of issuance</u> | <u>Location</u> |
|---------------|---------------------------------------|-------------------------|-----------------|
| | 2050057816 | 30/12/1428H | Khobar |
| | 4030171680 | 24/07/1428H | Jeddah |

The Company has the following subsidiary:

| <i>Name of the subsidiary</i> | <i>Registration number</i> | <i>Country of incorporation</i> | <i>Ownership</i> | <i>Principal business activity</i> |
|---|----------------------------|---------------------------------|------------------|--|
| Amlak International For Real Estate Development Company | 1010317413 | Saudi Arabia | 100% | Hold title deeds of real estate properties financed by Amlak International Finance Company |

These condensed interim consolidated financial statements comprise the financial statements of the Company and the subsidiary (Amlak International for Real Estate Development Company) together herein after referred to as the Group. The Company started consolidating its subsidiary from year ended 31 December 2022. The impact of consolidation on the comparative numbers as at 30 September 2023 and for the period then ended is not material.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The condensed interim consolidated financial statements of the Group as at and for the period ended 30 September 2023, have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting (IAS 34) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

These condensed interim consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group’s annual audited consolidated financial statements for the year ended 31 December 2022.

AMLAK INTERNATIONAL FINANCE COMPANY
(FORMERLY AMLAK INTERNATIONAL FOR REAL ESTATE FINANCE COMPANY)
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2023
(SAR ‘000)

2. BASIS OF PREPARATION (CONTINUED)

2.2 Basis of measurement

These condensed interim consolidated financial statements have been prepared on a going concern basis under the historical cost convention except for the measurement of investments and derivatives, which are carried at fair value. Further, employees’ end of service benefits are measured at present value of future retirement benefit obligations using the Projected Unit Credit Method.

2.3 Functional and presentation currency

These condensed interim consolidated financial statements are presented in Saudi Arabian Riyals (SAR), as it is the functional currency of the Company and the presentation currency of the Group. All financial information presented has been rounded-off to the SAR in thousand unless otherwise stated.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in the preparation of these condensed interim consolidated financial statements are consistent with those followed in the preparation of the Group’s annual audited consolidated financial statements for the year ended 31 December 2022 unless otherwise stated.

4. IMPACT OF NEW STANDARDS

Accounting standards issued but not yet effective

The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective. The management is performing assessment but does not expect to have a material impact on the condensed interim consolidated financial statements of the Group.

New standards, interpretations and amendments adopted by the Group

The International Accounting Standard Board (IASB) has issued following accounting standards, amendments, which were effective from periods on or after 1 January 2023. The management has assessed that the amendments have no significant impact on the Group’s condensed interim consolidated financial statements.

- Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8;
- Amendment to IAS 12- deferred tax related to assets and liabilities arising from a single transaction;
- IFRS 17 Insurance Contracts.

5. CASH AND CASH EQUIVALENTS

| | As at 30 September 2023 (Unaudited) | As at 31 December 2022 (Audited) |
|---------------------------------|---|--|
| Cash in hand | 35 | 35 |
| Cash at bank – current accounts | <u>35,756</u> | <u>38,191</u> |
| | <u>35,791</u> | <u>38,226</u> |

AMLAK INTERNATIONAL FINANCE COMPANY
(FORMERLY AMLAK INTERNATIONAL FOR REAL ESTATE FINANCE COMPANY)
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2023
(SAR '000)

6. MURABAHA RECEIVABLES, NET

| | As at 30 September 2023 <u>(Unaudited)</u> | As at 31 December 2022 <u>(Audited)</u> |
|---|---|--|
| Gross Murabaha receivables | 1,354,382 | 480,708 |
| Less: Impairment allowance for expected credit losses | <u>(3,024)</u> | <u>(515)</u> |
| Murabaha receivables, net | <u>1,351,358</u> | <u>480,193</u> |

The maturity profiles of Murabaha receivables as at 30 September 2023 and 31 December 2022 are as follows:

| | <u>As at 30 September 2023 (Unaudited)</u> | | | |
|---|--|---|---------------------------------|------------------|
| | Not later than <u>one year</u> | Later than one year but not later than <u>five years</u> | Later than <u>five years</u> | <u>Total</u> |
| Gross Murabaha receivables | <u>193,298</u> | <u>1,025,694</u> | <u>135,390</u> | 1,354,382 |
| Less: Impairment allowance for expected credit losses | | | | <u>(3,024)</u> |
| Murabaha receivables, net | | | | <u>1,351,358</u> |

| | <u>As at 31 December 2022 (Audited)</u> | | | |
|---|---|---|---------------------------------|----------------|
| | Not later than <u>one year</u> | Later than one year but not later than <u>five years</u> | Later than <u>five years</u> | <u>Total</u> |
| Gross Murabaha receivables | <u>44,730</u> | <u>397,518</u> | <u>38,460</u> | 480,708 |
| Less: Impairment allowance for expected credit losses | | | | <u>(515)</u> |
| Murabaha receivables, net | | | | <u>480,193</u> |

7. IJARA RECEIVABLES, NET

| | As at 30 September 2023 <u>(Unaudited)</u> | As at 31 December 2022 <u>(Audited)</u> |
|---|---|--|
| Gross investment in Ijara receivables | 2,751,019 | 3,707,939 |
| Less: Unearned income | <u>(698,807)</u> | <u>(919,360)</u> |
| Net investment in Ijara receivables | 2,052,212 | 2,788,579 |
| Less: Impairment allowance for expected credit losses | <u>(33,955)</u> | <u>(75,080)</u> |
| Ijara receivables, net | <u>2,018,257</u> | <u>2,713,499</u> |

AMLAK INTERNATIONAL FINANCE COMPANY
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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2023
(SAR '000)

7. IJARA RECEIVABLES, NET (CONTINUED)

7.1 The maturity profiles of Ijara receivables as at 30 September 2023 and 31 December 2022 are as follows:

| | As at 30 September 2023 (Unaudited) | | | |
|---|--|--|------------------------------|--------------|
| | Not later than one year | Later than one year but not later than five years | Later than five years | Total |
| Gross investment in Ijara receivables | 599,708 | 1,304,048 | 847,263 | 2,751,019 |
| Less: Unearned income | (143,015) | (325,664) | (230,128) | (698,807) |
| Net investment in Ijara receivables | 456,693 | 978,384 | 617,135 | 2,052,212 |
| Less: Impairment allowance for expected credit losses | | | | (33,955) |
| Ijara receivables, net | | | | 2,018,257 |

| | As at 31 December 2022 (Audited) | | | |
|---|---|--|------------------------------|--------------|
| | Not later than one year | Later than one year but not later than five years | Later than five years | Total |
| Gross investment in Ijara receivables | 805,348 | 1,879,729 | 1,022,862 | 3,707,939 |
| Less: Unearned income | (197,090) | (452,656) | (269,614) | (919,360) |
| Net investment in Ijara receivables | 608,258 | 1,427,073 | 753,248 | 2,788,579 |
| Less: Impairment allowance for expected credit losses | | | | (75,080) |
| Ijara receivables, net | | | | 2,713,499 |

8. IJARA MAWSOFA FI ATHEMMAH RECEIVABLES, NET

| | As at 30 September 2023 (Unaudited) | As at 31 December 2022 (Audited) |
|---|--|---|
| Gross investment in Ijara Mawsofa Fi Athemmah receivables | 168,348 | 148,713 |
| Less: Unearned income | (72,592) | (59,130) |
| Net investment in Ijara Mawsofa Fi Athemmah receivables | 95,756 | 89,583 |
| Less: Impairment allowance for expected credit losses | (203) | (25) |
| Ijara Mawsofa Fi Athemmah receivables, net | 95,553 | 89,558 |

8.1 The maturity profiles of Ijara Mawsofa Fi Athemmah receivables as at 30 September 2023 and 31 December 2022 are as follows:

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(FORMERLY AMLAK INTERNATIONAL FOR REAL ESTATE FINANCE COMPANY)
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8. IJARA MAWSOFA FI ATHEMMAH RECEIVABLES, NET (CONTINUED)

| | As at 30 September 2023 (Unaudited) | | | |
|---|--|--|------------------------------|-----------------|
| | Not later than one year | Later than one year but not later than five years | Later than five years | Total |
| Gross investment in Ijara Mawsofa Fi | | | | |
| Athemmah receivables | 12,869 | 45,813 | 109,666 | 168,348 |
| Less: Unearned income | (7,575) | (26,534) | (38,483) | (72,592) |
| Net investment in Ijara Mawsofa Fi | | | | |
| Athemmah receivables | 5,294 | 19,279 | 71,183 | 95,756 |
| Less: Impairment allowance for expected credit losses | | | | (203) |
| Ijara Mawsofa Fi Athemmah receivables, net | | | | 95,553 |

| | As at 31 December 2022 (Audited) | | | |
|---|---|--|------------------------------|--------------|
| | Not later than one year | Later than one year but not later than five years | Later than five years | Total |
| Gross investment in Ijara Mawsofa Fi | | | | |
| Athemmah receivables | 11,464 | 39,566 | 97,683 | 148,713 |
| Less: Unearned income | (6,074) | (20,972) | (32,084) | (59,130) |
| Net investment in Ijara Mawsofa Fi | | | | |
| Athemmah receivables | 5,390 | 18,594 | 65,599 | 89,583 |
| Less: Impairment allowance for expected credit losses | | | | (25) |
| Ijara Mawsofa Fi Athemmah receivables, net | | | | 89,558 |

9. ACCOUNTS PAYABLE AND OTHER ACCRUALS

| | As at 30 September 2023 (Unaudited) | As at 31 December 2022 (Audited) |
|--|--|---|
| Lease liabilities | 17,138 | 20,014 |
| Advance from customers | 18,846 | 11,753 |
| Accrued expenses | 13,502 | 14,846 |
| Salaries and employee related expenses | 5,926 | 11,793 |
| Amount received from customers | 214 | 1,595 |
| Servicing contract payables | - | 33,895 |
| Others | 9,661 | 5,961 |
| | 65,287 | 99,857 |

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10. DERIVATIVES

As at 30 September 2023, the Group held profit rate swaps (“PRS”) of a notional value of SR 600 million (31 December 2022: SR 660 million) in order to hedge its exposure to commission rate risks related to its borrowings.

| | As at 30 September 2023 <u>(Unaudited)</u> | As at 31 December 2022 <u>(Audited)</u> |
|-----------------------------|---|--|
| Positive fair value of PRSs | 21,537 | 20,515 |
| Negative fair value of PRSs | - | (1,483) |

11. ZAKAT AND INCOME TAX

(a) The movement in zakat and income tax is as follow:

| | For the nine-month period ended 30 September 2023 (Unaudited) | |
|--|--|---------------|
| | <u>Zakat</u> | <u>Total</u> |
| Balance at the beginning of the period | 19,599 | 19,599 |
| Charge for the period | 5,569 | 5,569 |
| Charge for the prior period | (644) | (644) |
| Payments made during the period | (13,547) | (13,547) |
| Balance at end of the period | <u>10,977</u> | <u>10,977</u> |
| | For the year ended 31 December 2022 (Audited) | |
| | <u>Zakat</u> | <u>Total</u> |
| Balance at the beginning of the year | 25,272 | 25,272 |
| Charge for the year | 14,211 | 14,211 |
| Charge for the prior year | 196 | 196 |
| Unwinding of discount | 187 | 187 |
| Payments made during the year | (20,267) | (20,267) |
| Balance as at end of the year | <u>19,599</u> | <u>19,599</u> |
| | For the nine-month period ended 30 September 2022 (Unaudited) | |
| | <u>Zakat</u> | <u>Total</u> |
| Balance at the beginning of the period | 25,272 | 25,272 |
| Charge for the period | 10,834 | 10,834 |
| Charge for the prior period | 196 | 196 |
| Unwinding of discount | 515 | 515 |
| Payments made during the period | (14,878) | (14,878) |
| Balance as at end of the period | <u>21,939</u> | <u>21,939</u> |

12. BORROWINGS

These represent amounts borrowed from local banks and Saudi Real Estate Re-finance Company (“SRC”) under Islamic borrowings approved by the Sharia Committee. These facilities carry borrowing costs at profit rates ranging from 3 months to 1 year Saudi Inter Bank Offer rates (“SIBOR”) plus spread with maturity periods ranging from 1 month to 5 years and are secured by the assignment of proceeds from the Group’s receivables.

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13. SHARE CAPITAL

As at 30 September 2023, the Company's authorised, issued and paid-up share capital was SAR 906 million (31 December 2022: SAR 906 million) divided into 90.6 million shares (31 December 2022: 90.6 million shares) with a nominal value of SAR 10 each.

14. DIVIDEND

During the nine-month period ended 30 September 2023, the shareholders have approved, declared and paid a dividend of SAR 72.48 million for the year 2022 (30 September 2022: SAR 77.01 million).

15. EARNINGS PER SHARE

The basic and diluted earnings per share have been computed by dividing net income for the period by the weighted average numbers of share outstanding during the period.

| | For the three-month period ended 30 September | | For the nine-month period ended 30 September | |
|--|--|--------------------|---|--------------------|
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| | (Unaudited) | | (Unaudited) | |
| Net income for the period | 5,570 | 25,052 | 22,922 | 80,736 |
| Weighted average number of ordinary shares (in thousands) | 90,600 | 90,600 | 90,600 | 90,600 |
| Basic and diluted earnings per share (SAR) | 0.06 | 0.28 | 0.25 | 0.89 |

16. GENERAL AND ADMINISTRATIVE EXPENSES

| | For the three-month period ended 30 September | | For the nine-month period ended 30 September | |
|-------------------------------------|--|--------------------|---|--------------------|
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| | (Unaudited) | | (Unaudited) | |
| Salaries and employees related cost | 16,706 | 15,610 | 48,327 | 45,162 |
| Board fees | 1,200 | 1,187 | 3,750 | 3,562 |
| Information technology expenses | 1,469 | 1,300 | 4,777 | 3,962 |
| Professional fee | 791 | 783 | 3,514 | 2,831 |
| VAT expenses | 1,599 | 934 | 3,894 | 3,951 |
| Communication | 341 | 311 | 1,024 | 933 |
| Bank charges | 312 | - | 804 | 711 |
| Rent and other expenses | 235 | 147 | 521 | 387 |
| Travelling expenses | 43 | 213 | 361 | 582 |
| Maintenance expenses | 310 | 34 | 812 | 166 |
| Others | 810 | 757 | 2,652 | 4,173 |
| | 23,816 | 21,276 | 70,436 | 66,420 |

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17. SELLING AND MARKETING EXPENSES

| | For the three-month period ended 30 September | | For the nine-month period ended 30 September | |
|--------------------------------|--|--------------------|---|--------------------|
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| | (Unaudited) | | (Unaudited) | |
| Salaries and outsourcing costs | 2,473 | 1,094 | 4,955 | 3,928 |
| Insurance | 1,099 | 1,976 | 3,443 | 4,724 |
| Marketing expenses | 350 | 625 | 3,265 | 1,875 |
| | <u>3,922</u> | <u>3,695</u> | <u>11,663</u> | <u>10,527</u> |

18. RELATED PARTY TRANSACTIONS AND BALANCES

The related parties of the Group include its shareholders and their affiliated entities, the subsidiary, members of the Board of Directors and its committees and key management personnel. In the ordinary course of its activities, the Group transacts business with its related parties on mutually agreed terms. Key management personnel represent Chief Executive Officer and his direct reportees.

Significant transactions and balances arising from transactions with related parties are as follows:

| Nature of transaction | Name of related party and relationship | For the three-month period ended 30 September | | For the nine-month period ended 30 September | |
|------------------------------|---|--|--------------------|---|--------------------|
| | | Income/(Expense) | | Income/(Expense) | |
| | | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| | | (Unaudited) | | (Unaudited) | |
| Financing income | Key management personnel | 5 | 34 | 63 | 101 |
| Finance cost | The Saudi Investment Bank (shareholder) | (10,367) | (4,187) | (28,195) | (12,274) |
| Salaries and benefits | Key management personnel | (3,933) | (3,009) | (16,482) | (14,123) |
| Board fees | Board members | (1,200) | (1,187) | (3,750) | (3,562) |
| Insurance | Walaa Cooperative Insurance Company* (SABB Takaful Company) | - | (9) | (414) | (92) |

* The shareholders of Walaa Cooperative Insurance Company in the EGM held on 15 September 2022 approved the merger of SABB Takaful Company into the Company.

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18. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

| <u>Nature of balances and names of related parties</u> | <u>Relationship</u> | <u>Balances</u> | |
|--|--------------------------|--|--------------------------------------|
| | | 30 September 2023 (Unaudited) | 31 December 2022 (Audited) |
| Bank balances: | | | |
| The Saudi Investment Bank | Shareholder | 30,233 | 10,002 |
| Bank borrowings: | | | |
| The Saudi Investment Bank | Shareholder | 568,322 | 595,637 |
| Positive/(Negative) fair value of derivatives: | | | |
| The Saudi Investment Bank | Shareholder | 612 | (1,483) |
| Financing and advances: | | | |
| Key management personnel | Key management personnel | 706 | 832 |
| Investment at FVTPL: | | | |
| SAIB Saraya Tower Real Estate Development Fund | Affiliate | - | 105 |
| Board fees | | | |
| Board members | Board members | 3,577 | 4,428 |

19. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to the Group.

Financial instruments comprise financial assets, financial liabilities and derivatives.

Financial assets consist of cash and cash equivalents, investments, derivatives, Murabaha, Ijara and Ijara Mawsofa Fi Athemmah receivables and other receivables. Financial liabilities consist of borrowings, payables and derivatives.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

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19. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

The following table shows the carrying amount and fair values of financial assets and financial liabilities where fair value is different from carrying value or where the financial assets and liabilities are recorded at fair value, including their levels in the fair value hierarchy.

| | Carrying value | Fair value | | | |
|--|-------------------|------------|---------|-----------|-----------|
| | | Level 1 | Level 2 | Level 3 | Total |
| 30 September 2023 (Unaudited) | | | | | |
| <u>Financial assets at amortised cost:</u> | | | | | |
| Murabaha receivables, net | 1,351,358 | - | - | 1,336,420 | 1,336,420 |
| Ijara receivables, net | 2,018,257 | - | - | 1,743,743 | 1,743,743 |
| Ijara Mawsofa Fi Athemmah receivables, net | 95,553 | - | - | 80,938 | 80,938 |
| Cash and cash equivalents | 35,791 | - | - | 35,791 | 35,791 |
| Other receivables | 7,779 | - | - | 7,779 | 7,779 |
| <u>Financial assets at fair value:</u> | | | | | |
| Investments | 893 | - | 893 | - | 893 |
| Positive fair value of derivatives | 21,537 | - | 21,537 | - | 21,537 |
| <u>Financial liabilities at fair value:</u> | | | | | |
| Negative fair value of derivatives | - | - | - | - | - |
| <u>Financial liabilities at amortised cost:</u> | | | | | |
| Borrowings | 2,203,280 | - | - | 2,203,280 | 2,203,280 |
| SAMA deposit, net | 141,977 | - | - | 141,977 | 141,977 |
| Other payable | 46,227 | - | - | 46,227 | 46,227 |
| | | | | | |
| | Carrying value | Fair value | | | |
| | | Level 1 | Level 2 | Level 3 | Total |
| 31 December 2022 (Audited) | | | | | |
| <u>Financial assets at amortised cost:</u> | | | | | |
| Murabaha receivables, net | 480,193 | - | - | 466,353 | 466,353 |
| Ijara receivables, net | 2,713,499 | - | - | 2,445,736 | 2,445,736 |
| Ijara Mawsofa Fi Athemmah receivables, net | 89,558 | - | - | 82,948 | 82,948 |
| Cash and cash equivalents | 38,226 | - | - | 38,226 | 38,226 |
| Other receivables | 41,294 | - | - | 41,294 | 41,294 |
| <u>Financial assets at fair value:</u> | | | | | |
| Investments | 998 | - | 998 | - | 998 |
| Positive fair value of derivatives | 20,515 | - | 20,515 | - | 20,515 |
| <u>Financial liabilities at fair value:</u> | | | | | |
| Negative fair value of derivatives | 1,483 | - | 1,483 | - | 1,483 |

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19. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Financial liabilities at amortised

cost:

| | | | | | |
|-------------------|-----------|---|---|-----------|-----------|
| Borrowings | 1,759,216 | - | - | 1,759,216 | 1,759,216 |
| SAMA deposit, net | 355,863 | - | - | 355,863 | 355,863 |
| Other payable | 86,509 | - | - | 86,509 | 86,509 |

The valuation of fixed rate Murabaha receivables, Ijara receivables and Ijara Mowsofa Fi Athemmah receivables are estimated using contractual cash flows discounted at latest yield, which is the contracted profit rate for recent transactions. Input into the discounted cash flow techniques includes recent yields and contractual cash flows.

Management assessed that the carrying amount of other financial instruments largely approximate fair value due to either short-term maturities or re-pricing of the special commission on those instruments and these financial instruments are classified as level 3.

There have been no transfers to and from any levels during the period.

20. COMMITMENTS AND CONTINGENCIES

Financing facilities approved but not utilised:

The Group has facilities approved but not utilised, indicative offers issued which are under consideration of the customers as of the reporting date which have the potential to convert into financing amounting to SAR 64 million (31 December 2022: SAR 265.62 million).

21. SEGMENT INFORMATION

All assets, liabilities and operations as reflected in the statement of financial position, statement of profit or loss and statement of comprehensive income belongs to all financing segment.

For management purposes, the Group is organised into the following primary business segments:

Retail

These represents finance products granted to individuals.

Corporate

These represents financing products granted to corporate, high net worth individuals and institutional customers.

Head office

Head office is responsible for managing the surplus liquidity of the Group through short term market placements. It also provides support services to the business functions.

The Group's total assets and liabilities as at 30 September 2023 and 31 December 2022 and its total operating income, expenses and net profit for the nine-month periods ended 30 September 2023 and 30 September 2022 are as follows:

| | <u>Retail</u> | <u>Corporate</u> | <u>Head office</u> | <u>Total</u> |
|---|----------------------|-------------------------|---------------------------|---------------------|
| For the period ended 30 September 2023 (Unaudited) | | | | |
| Income | 64,824 | 154,087 | - | 218,911 |
| Expenses | (61,868) | (129,196) | - | (191,064) |
| Segment profit before zakat and income tax | 2,956 | 24,891 | - | 27,847 |
| For the period ended 30 September 2022 (Unaudited) | | | | |
| Income | 70,061 | 154,129 | - | 224,190 |
| Expenses | (46,201) | (86,419) | - | (132,620) |
| Segment profit before zakat and income tax | 23,860 | 67,710 | - | 91,570 |

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21. SEGMENT INFORMATION (CONTINUED)

| As at 30 September 2023 (Unaudited) | <u>Retail</u> | <u>Corporate</u> | <u>Head Office</u> | <u>Total</u> |
|--|----------------------|-------------------------|---------------------------|---------------------|
| Total assets | 1,052,619 | 2,494,399 | 79,497 | 3,626,515 |
| Total liabilities | 715,428 | 1,693,685 | 29,458 | 2,438,571 |
| As at 31 December 2022 (Audited) | | | | |
| Total assets | 1,001,989 | 2,405,501 | 79,648 | 3,487,138 |
| Total liabilities | 647,127 | 1,553,572 | 51,441 | 2,252,140 |

Below is the reconciliation of revenue and expenses from condensed interim consolidated financial statements to operating segment note:

| | For the nine-month period ended 30 September | |
|---|---|--------------------|
| | <u>2023</u> | <u>2022</u> |
| | (Unaudited) | |
| <u>Income</u> | | |
| Total income from Murabaha, Ijara and Ijara Mawsofa Fi | | |
| Athemmah receivables | 218,072 | 219,449 |
| Other income | 839 | 4,741 |
| Total income – as per operating segment note | 218,911 | 224,190 |
| <u>Expenses</u> | | |
| Fee expenses | (2,546) | (2,457) |
| Finance costs | (93,541) | (50,372) |
| Depreciation | (7,247) | (6,988) |
| General and administrative expenses | (70,436) | (66,420) |
| Selling and marketing expenses | (11,663) | (10,527) |
| (Impairment charges)/impairment allowance reversal for expected credit losses, net | (5,631) | 4,144 |
| Total expense – as per operating segment note | (191,064) | (132,620) |

22. FINANCIAL RISK MANAGEMENT

A) Gross receivables and loss allowance

Below tables provide the details of gross exposures and loss allowance for Corporate, High Net Worth individuals (HNWI) and retail segments.

Gross exposure - 30 September 2023

| | <u>Note</u> | <u>Corporate</u> | <u>HNWI</u> | <u>Retail</u> | <u>Total</u> |
|--|--------------------|-------------------------|--------------------|----------------------|---------------------|
| Murabaha receivables | 6 | 977,284 | 256,695 | 120,403 | 1,354,382 |
| Net investment in Ijara receivables | 7 | 603,138 | 629,333 | 819,741 | 2,052,212 |
| Net investment in Ijara Mawsofa Fi | | | | | |
| Athemmah receivables | 8 | - | - | 95,756 | 95,756 |
| | | 1,580,422 | 886,028 | 1,035,900 | 3,502,350 |

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22. FINANCIAL RISK MANAGEMENT (CONTINUED)

A) Gross receivables and loss allowance (Continued)

Gross exposure - 31 December 2022

| | <u>Note</u> | <u>Corporate</u> | <u>HNWI</u> | <u>Retail</u> | <u>Total</u> |
|---|-------------|------------------|------------------|----------------|------------------|
| Murabaha receivables | 6 | 242,951 | 237,134 | 623 | 480,708 |
| Net investment in Ijara receivables | 7 | 1,068,037 | 839,007 | 881,535 | 2,788,579 |
| Net investment in Ijara Mawsofa Fi Athemmah receivables | 8 | - | - | 89,583 | 89,583 |
| | | <u>1,310,988</u> | <u>1,076,141</u> | <u>971,741</u> | <u>3,358,870</u> |

Loss allowance – 30 September 2023

| | <u>Note</u> | <u>Corporate</u> | <u>HNWI</u> | <u>Retail</u> | <u>Total</u> |
|---|-------------|------------------|-----------------|----------------|-----------------|
| Murabaha receivables | 6 | (911) | (430) | (1,683) | (3,024) |
| Net investment in Ijara receivables | 7 | (14,397) | (14,609) | (4,949) | (33,955) |
| Net investment in Ijara Mawsofa Fi Athemmah receivables | 8 | - | - | (203) | (203) |
| Ijara receivables, net | | <u>(15,308)</u> | <u>(15,039)</u> | <u>(6,835)</u> | <u>(37,182)</u> |

Loss allowance - 31 December 2022

| | <u>Note</u> | <u>Corporate</u> | <u>HNWI</u> | <u>Retail</u> | <u>Total</u> |
|---|-------------|------------------|-----------------|----------------|-----------------|
| Murabaha receivables | 6 | (32) | (483) | - | (515) |
| Net investment in Ijara receivables | 7 | (51,481) | (17,994) | (5,605) | (75,080) |
| Net investment in Ijara Mawsofa Fi Athemmah receivables | 8 | - | - | (25) | (25) |
| Ijara receivables, net | | <u>(51,513)</u> | <u>(18,477)</u> | <u>(5,630)</u> | <u>(75,620)</u> |

The following table shows reconciliations from the opening to the closing balance of the gross receivables and loss allowance based on customer categories for the period ended 30 September 2023.

| | <u>12 Month ECL</u> | <u>Lifetime ECL (not credit impaired)</u> | <u>Lifetime ECL (credit impaired)</u> | <u>Total</u> |
|---|---------------------|---|---------------------------------------|------------------|
| GROSS EXPOSURE - CORPORATE | | | | |
| Balance at 1 January 2023 | 670,588 | 518,958 | 121,441 | 1,310,987 |
| Transfer from 12 Month ECL | (19,229) | 19,229 | - | - |
| Transfer from Lifetime ECL (not credit impaired) | 63,953 | (63,953) | - | - |
| Transfer from Lifetime ECL (credit impaired) | 1,648 | - | (1,648) | - |
| Net repayment received during the period | (90,913) | (160,370) | 8,756 | (242,527) |
| New Murabaha, Ijara, Ijara Mawsofa Fi Athemmah receivables originated during the year | 540,663 | 9,810 | - | 550,473 |
| Write-offs | - | - | (38,511) | (38,511) |
| Balance at 30 September 2023 | <u>1,166,710</u> | <u>323,674</u> | <u>90,038</u> | <u>1,580,422</u> |

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22. FINANCIAL RISK MANAGEMENT (CONTINUED)

A) Gross receivables and loss allowance (Continued)

| <u>LOSS ALLOWANCE - CORPORATE</u> | 12 Month ECL | Lifetime ECL (not credit impaired) | Lifetime ECL (credit impaired) | Total |
|--|-------------------------|---|---|---------------|
| Balance at 1 January 2023 | 1 | 3,106 | 48,406 | 51,513 |
| Transfer from 12 Month ECL | - | - | - | - |
| Transfer from Lifetime ECL (not credit impaired) | 112 | (112) | - | - |
| Transfer from Lifetime ECL (credit impaired) | 165 | - | (165) | - |
| Net re-measurement of loss allowance | (230) | (1,632) | (24,605) | (26,467) |
| Murabaha, Ijara, Ijara Mawsofa Fi Athemmah receivables that have been derecognized during the period | - | (378) | - | (378) |
| New Murabaha, Ijara, Ijara Mawsofa Fi Athemmah receivables originated during the period | 711 | 6 | - | 717 |
| Write-offs | - | - | (10,078) | (10,078) |
| Balance at 30 September 2023 | 759 | 990 | 13,558 | 15,308 |

| <u>GROSS EXPOSURE - HIGH NET WORTH INDIVIDUALS</u> | 12 Month ECL | Lifetime ECL (not credit impaired) | Lifetime ECL (credit impaired) | Total |
|--|-------------------------|---|---|------------------|
| Balance at 1 January 2023 | 824,429 | 172,227 | 79,485 | 1,076,141 |
| Transfer from 12 Month ECL | (92,862) | 92,862 | - | - |
| Transfer from Lifetime ECL (not credit impaired) | 1,844 | (8,952) | 7,108 | - |
| Transfer from Lifetime ECL (credit impaired) | - | 4,645 | (4,645) | - |
| Net repayment received during the period | (180,522) | (14,994) | 639 | (194,877) |
| New Murabaha, Ijara, Ijara Mawsofa Fi Athemmah receivables originated during the period | 8,000 | - | - | 8,000 |
| Write-offs | - | - | (3,236) | (3,236) |
| Balance at 30 September 2023 | 560,889 | 245,788 | 79,351 | 886,028 |

| <u>LOSS ALLOWANCE - HIGH NET WORTH INDIVIDUALS</u> | 12 Month ECL | Lifetime ECL (not credit impaired) | Lifetime ECL (credit impaired) | Total |
|--|-------------------------|---|---|---------------|
| Balance at 1 January 2023 | 5 | 1,162 | 17,311 | 18,478 |
| Transfer from 12 Month ECL | - | - | - | - |
| Transfer from Lifetime ECL (not credit impaired) | 3 | (148) | 145 | - |
| Transfer from Lifetime ECL (credit impaired) | - | 462 | (462) | - |
| Net re-measurement of loss allowance | (8) | (332) | (2,771) | (3,111) |
| Murabaha, Ijara, Ijara Mawsofa Fi Athemmah receivables that have been derecognized during the period | - | (123) | (205) | (328) |
| New Murabaha, Ijara, Ijara Mawsofa Fi Athemmah receivables originated during the period | - | - | - | - |
| Write-offs | - | - | - | - |
| Balance at 30 September 2023 | - | 1,021 | 14,018 | 15,039 |

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22. FINANCIAL RISK MANAGEMENT (CONTINUED)

A) Gross receivables and loss allowance (Continued)

| | 12 Month ECL | Lifetime ECL (not credit impaired) | Lifetime ECL (credit impaired) | Total |
|--|--------------------|---|---|------------------|
| <u>GROSS EXPOSURE – RETAIL</u> | | | | |
| Balance at 1 January 2023 | 923,383 | 26,160 | 22,199 | 971,742 |
| Transfer from 12 Month ECL | (21,002) | 13,726 | 7,276 | - |
| Transfer from Lifetime ECL (not credit impaired) | 12,784 | (18,686) | 5,902 | - |
| Transfer from Lifetime ECL (credit impaired) | 2,044 | 640 | (2,684) | - |
| Net repayment received during the period | (82,375) | (2,467) | 992 | (83,850) |
| New Murabaha, Ijara, Ijara Mawsofa Fi Athemmah receivables originated during the period | 148,606 | 1,320 | - | 149,926 |
| Write-offs | - | - | (1,918) | (1,918) |
| Balance at 30 September 2023 | 983,440 | 20,693 | 31,767 | 1,035,900 |

| | 12 Month ECL | Lifetime ECL (not credit impaired) | Lifetime ECL (credit impaired) | Total |
|--|--------------------|---|---|--------------|
| <u>LOSS ALLOWANCE - RETAIL</u> | | | | |
| Balance at 1 January 2023 | 303 | 808 | 4,519 | 5,630 |
| Transfer from 12 Month ECL | (5) | 4 | 1 | - |
| Transfer from Lifetime ECL (not credit impaired) | 374 | (621) | 247 | - |
| Transfer from Lifetime ECL (credit impaired) | 103 | 32 | (135) | - |
| Net re-measurement of loss allowance | (557) | (108) | 1,358 | 693 |
| Murabaha, Ijara, Ijara Mawsofa Fi Athemmah receivables that have been derecognized during the period | (17) | (40) | (23) | (80) |
| New Murabaha, Ijara, Ijara Mawsofa Fi Athemmah receivables originated during the period | 1,602 | 42 | - | 1,644 |
| Write-offs | - | - | (1,052) | (1,052) |
| Balance at 30 September 2023 | 1,803 | 117 | 4,915 | 6,835 |

| | 12 Month ECL | Lifetime ECL (not credit impaired) | Lifetime ECL (credit impaired) | Total |
|--|-----------------|---|---|------------------|
| <u>GROSS EXPOSURE - CORPORATE</u> | | | | |
| Balance at 1 January 2022 | 780,742 | 272,144 | 212,742 | 1,265,628 |
| Transfer from 12 Month ECL | (118,250) | 115,901 | 2,349 | - |
| Transfer from Lifetime ECL (not credit impaired) | 18,401 | (18,401) | - | - |
| Transfer from Lifetime ECL (credit impaired) | 56,754 | - | (56,754) | - |
| Net repayment received during the year | (402,711) | 132,314 | (24,835) | (295,232) |
| New Murabaha, Ijara, Ijara Mawsofa Fi Athemmah receivables originated during the year | 335,652 | 17,000 | - | 352,652 |
| Write-offs | - | - | (12,061) | (12,061) |
| Balance at 31 December 2022 | 670,588 | 518,958 | 121,441 | 1,310,987 |

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22. FINANCIAL RISK MANAGEMENT (CONTINUED)

A) Gross receivables and loss allowance (Continued)

| <u>LOSS ALLOWANCE - CORPORATE</u> | <u>12 Month ECL</u> | <u>Lifetime ECL (not credit impaired)</u> | <u>Lifetime ECL (credit impaired)</u> | <u>Total</u> |
|--|-------------------------|---|---|---------------|
| Balance at 1 January 2022 | 1,983 | 7,126 | 48,895 | 58,004 |
| Transfer from 12 Month ECL | (199) | 188 | 11 | - |
| Transfer from Lifetime ECL (not credit impaired) | 146 | (146) | - | - |
| Transfer from Lifetime ECL (credit impaired) | 10,044 | - | (10,044) | - |
| Net re-measurement of loss allowance | (10,966) | 2,492 | 22,182 | 13,708 |
| Murabaha, Ijara, Ijara Mawsofa Fi Athemmah receivables that have been derecognized during the year | (1,008) | (6,580) | (2,456) | (10,044) |
| New Murabaha, Ijara, Ijara Mawsofa Fi Athemmah receivables originated during the year | 1 | 26 | - | 27 |
| Write-offs | - | - | (10,182) | (10,182) |
| Balance at 31 December 2022 | <u>1</u> | <u>3,106</u> | <u>48,406</u> | <u>51,513</u> |

| <u>GROSS EXPOSURE - HIGH NET WORTH INDIVIDUALS</u> | <u>12 Month ECL</u> | <u>Lifetime ECL (not credit impaired)</u> | <u>Lifetime ECL (credit impaired)</u> | <u>Total</u> |
|--|-------------------------|---|---|------------------|
| Balance at 1 January 2022 | 581,521 | 538,661 | 94,315 | 1,214,497 |
| Transfer from 12 Month ECL | (29,262) | 29,262 | - | - |
| Transfer from Lifetime ECL (not credit impaired) | 246,529 | (279,539) | 33,010 | - |
| Transfer from Lifetime ECL (credit impaired) | 21,344 | 15,660 | (37,004) | - |
| Net repayment received during the year | (348,953) | (131,817) | (9,943) | (490,713) |
| New Murabaha, Ijara, Ijara Mawsofa Fi Athemmah receivables originated during the year | 353,250 | - | - | 353,250 |
| Write-offs | - | - | (893) | (893) |
| Balance at 31 December 2022 | <u>824,429</u> | <u>172,227</u> | <u>79,485</u> | <u>1,076,141</u> |

| <u>LOSS ALLOWANCE - HIGH NET WORTH INDIVIDUALS</u> | <u>12 Month ECL</u> | <u>Lifetime ECL (not credit impaired)</u> | <u>Lifetime ECL (credit impaired)</u> | <u>Total</u> |
|--|-----------------------------|---|---|---------------|
| Balance at 1 January 2022 | 564 | 5,623 | 17,245 | 23,432 |
| Transfer from 12 Month ECL | (47) | 47 | - | - |
| Transfer from Lifetime ECL (not credit impaired) | 1,064 | (2,305) | 1,241 | - |
| Transfer from Lifetime ECL (credit impaired) | 1,600 | 1,978 | (3,578) | - |
| Net re-measurement of loss allowance | (2,874) | (1,920) | 4,500 | (294) |
| Murabaha, Ijara, Ijara Mawsofa Fi Athemmah receivables that have been derecognized during the year | (306) | (2,262) | (1,306) | (3,874) |
| New Murabaha, Ijara, Ijara Mawsofa Fi Athemmah receivables originated during the year | 4 | - | - | 4 |
| Write-offs | - | - | (791) | (791) |
| Balance at 31 December 2022 | <u>5</u> | <u>1,161</u> | <u>17,311</u> | <u>18,477</u> |

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22. FINANCIAL RISK MANAGEMENT (CONTINUED)

A) Gross receivables and loss allowance (Continued)

| | 12 Month ECL | Lifetime ECL (not credit impaired) | Lifetime ECL (credit impaired) | Total |
|--|--------------------|---|---|----------------|
| <u>GROSS EXPOSURE – RETAIL</u> | | | | |
| Balance at 1 January 2022 | 877,728 | 103,275 | 36,776 | 1,017,779 |
| Transfer from 12 Month ECL | (10,523) | 10,070 | 453 | - |
| Transfer from Lifetime ECL (not credit impaired) | 67,930 | (71,860) | 3,930 | - |
| Transfer from Lifetime ECL (credit impaired) | 1,651 | 7,529 | (9,180) | - |
| Net repayment received during the year | (120,154) | (23,245) | (8,010) | (151,409) |
| New Murabaha, Ijara, Ijara Mawsofa Fi Athemmah receivables originated during the year | 106,751 | 391 | - | 107,142 |
| Write-offs | - | - | (1,770) | (1,770) |
| Balance at 31 December 2022 | <u>923,383</u> | <u>26,160</u> | <u>22,199</u> | <u>971,742</u> |

| | 12 Month ECL | Lifetime ECL (not credit impaired) | Lifetime ECL (credit impaired) | Total |
|--|--------------------|---|---|--------------|
| <u>LOSS ALLOWANCE - RETAIL</u> | | | | |
| Balance at 1 January 2022 | 1,322 | 611 | 5,836 | 7,769 |
| Transfer from 12 Month ECL | (15) | 14 | 1 | - |
| Transfer from Lifetime ECL (not credit impaired) | 397 | (411) | 14 | - |
| Transfer from Lifetime ECL (credit impaired) | 183 | 644 | (827) | - |
| Net re-measurement of loss allowance | (1,542) | 40 | 915 | (587) |
| Murabaha, Ijara, Ijara Mawsofa Fi Athemmah receivables that have been derecognized during the year | (68) | (99) | (496) | (663) |
| New Murabaha, Ijara, Ijara Mawsofa Fi Athemmah receivables originated during the year | 26 | 8 | - | 34 |
| Write-offs | - | - | (923) | (923) |
| Balance at 31 December 2022 | <u>303</u> | <u>807</u> | <u>4,520</u> | <u>5,630</u> |

23. APPROVAL OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

These condensed interim consolidated financial statements have been approved by the Board of Directors of the Company on 7 Rabi’ Al-Thani 1445H (corresponding to 22 October 2023).